

MINUTES

SPECIAL MEETING OF
CITY OF ALAMEDA ECONOMIC DEVELOPMENT COMMISSION
TUESDAY, NOVEMBER 8, 2005
7:30 PM

(LOCATION OF THIS MEETING WAS CITY HALL WEST, ALAMEDA POINT, ROOM 201)

CALL TO ORDER AND ROLL CALL

Chairman Kelly called the meeting to order at 7:40 p.m.

Present: Commission Members: Dahlberg, Ezzy Ashcraft, Lindsey, Schmitz and Wetzork

Absent: Stieg

Vacancies: Two

Staff: Dorene Soto, Bruce Knopf and Rosemary Valeska

MINUTES

1. Minutes of the Regular Meeting of October 20, 2005

Draft minutes not yet available. Continued to the December 15, 2005 Regular Meeting.

CONSENT CALENDAR

ORAL COMMUNICATIONS – PUBLIC

(None)

UNFINISHED BUSINESS

NEW BUSINESS

2. Target Proposal at South Shore Center: Consistency with City Retail Policy Documents and Report of Linda Congleton & Associates

Bruce Knopf gave a detailed PowerPoint presentation based on the Linda Congleton & Associates report and additional sources including Strategic Economics. Commissioner questions and comments followed the presentation. Commission Member Ezzy Ashcraft questioned Target's claim of being "community based" when so many of the Bay Area sites were at or near freeways. Mr. Knopf cited the Targets in Napa, San

Leandro and Fremont that were not at or near freeways. She also stated concern that some of the sales tax revenue that would be gained from Target could be offset by the costs of traffic signal improvements. Commission Member Wetzork expressed concern that except for rare exceptions, Target's merchandise is not tailored to specific geographic areas. He also stated that Alameda's traffic is heaviest during the AM and PM commute periods; however, a lot of the shopping at Target would be done during off hours. Also, Alamedans could consolidate their shopping trips. Commission Member Schmitz commended staff's analysis. Alameda should retain what we're all about while still keeping up with the rest of the Bay Area. How we approach this will affect how we move forward as an Island. We need to clearly define the differences between Target and Wal-Mart. Chairman Kelly reminded all present that there had been concern about how the opening of the Oakland Home Depot would affect Alameda businesses but they seem to be okay. There will always be a core group of customers who will keep going to their favorite store. "Big Box" does not necessarily destroy local merchants. Mr. Knopf stated the Retail Tenant Directory states that the customers that Wal-Mart seeks are low-to-moderate income whereas the customers that Target seeks are mid-to-high income. Target labels themselves as a "discount department store" and it should be noted that this proposal does not include a pharmacy, grocery store or nursery. Commission Member Wetzork stated that Target is not a warehouse. Mike Corbitt, General Manager of Alameda Towne Center stated that the adverse impacts on local businesses caused by Wal-Mart are more of a Midwest phenomenon as opposed to an urban area. Other tenants are waiting to see if Target signs with Alameda Towne Center before committing themselves. Commission Member Ezzy Ashcraft asked if Target had a preference for hiring locals, youth training, community outreach, involvement with schools and charities as well as their hours of operation. Mr. Corbitt stated that he did not have the answers at this time.

Public Speakers:

1. Susanne Eichler stated that she lives on Shoreline Drive near the Center. It was her understanding that Target's hours of operation would be 8:00 a.m. – 10:00 p.m. Monday through Saturday and 8:00 a.m. – 9:00 p.m. on Sunday. She stated that the Citywide Retail Policy recommended attracting mid-sized business and Target is larger than that. This could hurt our attracting mid-scale businesses such as The Gap and Crate & Barrel – a combination of these kinds of stores could make up for not having a Target and their look and design would be more consistent with Alameda. She also stated that Borders often comes in with Target and this could result in harming Walden Books currently at the Center as well as Books Inc. on Park Street.

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2. Richard Perenon stated that he lives at the St. Francis Condominiums on Otis Drive. He stated concern about traffic gridlock and backup. Willow Street cannot handle any more traffic. There is already gridlock on Otis between Broadway and Park during peak hours. Target will attract shoppers from Oakland. The height of the proposed Target could block Bay views, resulting in lower property values. Lower taxes resulting from lowered property values would result in decreased revenue for the City.
3. Dorothy Reid distributed to EDC and staff copies of the report, *Conflicts with a Target Store and the Citywide Retail Policy* from Citizens Opposed to South Shore Target. Ms. Reid stated that this report was in response to the Congleton report that did not respond to the Planning Board's concerns. She commended Mr. Knopf on his presentation. She stated that the proposed Target would be twice as big as the new Safeway. The merchandise will be basically the same found at other Targets. Target won't consider a smaller store. Other Targets are in shopping centers. Target views their major competitors as Wal-Mart, K-Mart and Costco, i.e., "big box" stores. Target embarks on marketing campaigns to convince planning boards that they will fit in. The originally proposed location for a Target in Alameda was Enterprise Landing. We need to listen to what the people stated at the retail forums – they want small, upscale retail. Maybe we should look at other types of commercial, e.g., Wind River. People want small retail, not discount. Our Police Department will be impacted by increased enforcement and costs. Will the West End be impacted? They are trying to fit a large building into a small space. Six hundred signatures have been obtained in opposition – people are concerned about property values.
4. Kevin Frederick. Stated that this would be a massive structure with a garage underneath. He has safety concerns. He wanted to know why Target would own their store instead of leasing it from the Center. He stated that it should be scaled down or not built at all. He questioned whether Linda Congleton was concerned about Alameda's best interests. He stated concerned about urban sprawl, maximum density and traffic problems. There needs to be a traffic plan.
5. Tim Irwin asked how traffic could be mitigated. Otis Drive is an "island off the island." All access to Otis is one lane in each direction. There is no more room for left turn lanes. Concerned about the impacts of trucks supplying Target. Traffic mitigation will cost a lot.

Following the public speakers, Chairman Kelly requested that the EDC Members state any economic related questions. Commission Member Schmitz asked if a center with a Target could be successful in attracting

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The Gap or Crate & Barrel. Mr. Knopf stated that the Tenant Mix list prepared by Strategic Economics shows that these tenants are not mutually exclusive. However, Mr. Corbitt noted that Alameda was “not there yet” in terms of demographics to attract a Crate & Barrel or some of the other desired lifestyle tenants. Commission Member Ezzy Ashcraft questioned the statement that Alameda could not attract a Crate & Barrel or The Gap. Mr. Knopf stated that Alameda does not have a Walnut Creek level of demographics; however, he also noted that Target has been attracting customers who otherwise might have shopped at The Gap or other mid-scale retailers. Commission Member Schmitz asked what Target told the City in terms of the percentage of customers expected from Alameda. Mr. Knopf stated that Target told him that 80 percent would be local. Mr. Knopf stated that he felt more secure about a business that buys instead of leases – a publicly-traded company with real estate holdings would not just shut down the doors on one location – they would sell their stores to another company in the same way that Gemco sold their stores to Target in 1987. The investment is substantially larger when they purchase.

Chairman Kelly stated that due to the public feedback and EDC questions, he would suggest that the EDC wait until the December meeting to take action. Commission Member Wetzork stated that he would agree to that. Commission Member Ezzy Ashcraft commended Mr. Corbitt for what he has done for the Center. We can't ignore \$500,000 to the General Fund; however, we need to balance that with the concerns regarding traffic and neighborhood impacts. Many young families here want a Target. Chairman Kelly directed that this item be continued to the EDC's December meeting for further discussion.

WRITTEN COMMUNICATIONS

(None)

ORAL COMMUNICATIONS – COMMISSION MEMBERS AND STAFF

(None)

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ADJOURNMENT

Meeting was unanimously adjourned at 9:55 p.m.

Respectfully submitted,

Dorene E. Soto
Manager, Business Development Division

DES:rv

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